

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## Markit Poland Manufacturing PMI®

### Polish manufacturing growth continues at marked pace

#### Key findings:

- Headline PMI posts 54.2, down only slightly from January's 22-month high
- Output, new orders and employment all rise
- Price pressures mount amid greater raw material costs

Data collected February 10-22

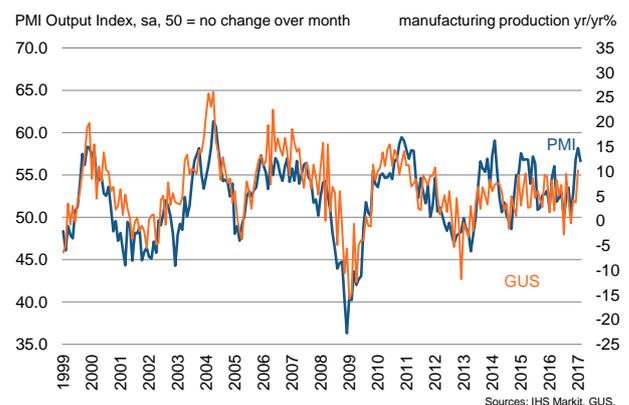
February's release of Markit PMI® survey data signalled a continuation of the solid growth trend seen in recent months at Polish manufacturers. Business conditions have improved markedly in each month since December last year. The latest upturn was driven by further expansions of output, new orders and employment. Mounting price pressures remained an area of concern, but firms' optimism ticked up regardless.

The headline Markit Poland Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

At 54.2, February's PMI signalled a marked improvement in business conditions. The latest reading was well above the long-run average (50.4), albeit fractionally down on numbers seen in January (54.8) and December (54.3).

Polish manufacturing production continued to rise sharply. Although easing to a three-month low, the rate of expansion was strong relative to the historical trend.

#### Markit Poland Manufacturing PMI



Panellists generally attributed higher output to rising inflows of new work. The respective seasonally adjusted index for new business remained close to January's one-and-a-half year high. There were reports that new product launches had helped stimulate demand. Data signalled a similarly robust rise in new export work, with Europe and the US cited as sources of growth.

Volumes of outstanding business meanwhile fell for the twenty-fourth month in a row. With the rate of production growth continuing to outstrip that for new work, backlogs were depleted at a solid pace.

The rise in new orders was nevertheless sufficient to persuade companies to add to payrolls in February. Moreover, the rate of job creation quickened slightly since January.

Purchasing activity also increased amid improving client demand and subsequent efforts to raise production. The latest rise was the slowest in three months, however.

Likewise, stocks of purchases rose at a weaker pace.

Polish manufacturers again faced substantial price pressures in February. The rate of input cost inflation accelerated to the most marked in nearly six years. A number of survey participants indicated that raw material prices had been driven up by exchange rate instability.

Greater costs were reflected by firms' selling prices, which rose at the steepest rate since April 2011. Charges have risen in each of the past four months – the longest period of inflation since 2012.

Finally, expectations regarding the 12-month outlook for output were the strongest since April 2016. New products, new clients, better advertising and greater investment are all set to boost production.

## Comment

Commenting on the Poland Manufacturing PMI survey data, Paul Smith, senior economist at IHS Markit and author of the report, said:

*“Polish manufacturers saw recent growth momentum sustained in February. Output and new orders rose solidly, helping motivate companies to raise capacity through job creation. Encouragingly, PMI data suggest that further growth is expected – optimism is running at a ten-month high. Rising inflation appears the main threat to the outlook, although for now companies foresee the benefits of an economic upturn outweighing any downside risks from higher prices.”*

-Ends-

## For further information, please contact:

### IHS Markit

Paul Smith, Senior Economist  
Telephone +44-1491-461-038  
Email [paul.smith@ihsmarkit.com](mailto:paul.smith@ihsmarkit.com)

Joanna Vickers, Corporate Communications  
Telephone +44207-260-2234  
Email [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)

## Note to Editors:

The Poland Manufacturing *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by Markit. The report features original survey data collected from a representative panel of around 200 companies based in the Polish manufacturing sector. The panel is stratified by GDP and workforce size.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

The Manufacturing *Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

The *Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. PMI surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

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**About PMI**

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